THE WEEKLY OF
BUSINESS AVIATION

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Vol. 35 No. 4 July 26, 1982 Page 25

INSIDE

Wind Shear A/C Issued by FAA ..... Page 26
Cessna Earnings Drop Sharply ..... Page 27
Westlake To Head Learjet Sales ..... Page 28
Business Aviation Briefs ..... Page 29
Marketplace ..... Page 32

CAB ASKS FAA TO GIVE GA SLOTS TO CARRIERS

Civil Aeronautics Board last week unanimously voted to draw up a letter to FAA recommending that approximately 1,000 general aviation slots be reallocated to commercial carriers so that those carriers are brought up to 95 percent of their pre-PATCO strike operating capacity *(BA, July 12/9)*. Member James Smith said he fully supports the proposal and believes it will "solve the problems" of the commercial carriers. Chairman Dan McKinnon said he checked with FAA regarding this redistribution of GA slots and was assured that "mechanically" it could be done.

Also in the CAB letter to FAA, the board will recommend its support for FAA's definition of "new entrant"—carriers that applied for operating authority from CAB prior to Aug. 3, 1981, but had not initiated operations by Feb. 17, 1982—but with two minor modifications. Board decided to withdraw its own definition of new entrant because no agreement could be reached among the members.

General aviation industry is vigorously opposed to CAB's proposal to take GA slots *(BA, April 5/105)* and a board member admitted that it is unlikely that FAA will follow its recommendations. Elizabeth Bailey said "there is a strong possibility that FAA will not go along with our reallocation recommendations. FAA will receive CAB's comments on the slot allocation proposal late—comments were due July 15—but McKinnon said FAA assured him that late comments will still be considered as a final decision on slot allocation will not be made until the end of the month.

SENATE PASSES ADAP LEGISLATION; HOUSE SET TO ACT THIS WEEK

The Senate last week approved legislation establishing a new Airport Development Aid Program and the House is scheduled to begin debate on its ADAP bill this week.

The Senate's ADAP legislation, which was included in a major tax measure, provides for a five-year airports program at significantly higher funding levels. Expenditures for airport improvement projects would total $4.79 billion, growing from $450 million for the remainder of fiscal 1982 to just over $1 billion in 1986 and 1987. Funds for the program would be generated by a new schedule of aviation taxes including: an eight percent levy on airline tickets; a freight tax of five percent; a $3 international departure fee; and, a 12-cent per gallon tax on aviation gasoline and a 14-cent per gallon tax on jet fuel.

On the House side, Rep. Henson Moore (R-La.) last Friday won approval to offer three amendments regarding aviation tax levels when discussion of the ADAP bill begins in the House this week. Previous action by the House Rules Committee would have prevented amendments to the tax package approved earlier by the House Ways and Means Committee *(BA, May 10/145)*, but by a vote of 178-135 the House eliminated that restriction.

Moore's victory will permit introduction of amendments to: reduce the tax on jet fuel and aviation gasoline from 12 cents per gallon to eight cents per gallon; prohibit the collection of aviation taxes when there is no ADAP program in effect (to prevent the buildup of surpluses in the Aviation Trust Fund); and, subject the full price of airline tickets between the U.S. mainland and Hawaii and Alaska to the eight percent ticket tax. Currently, travelers to those destinations pay the ticket tax only on that portion of their trip that occurs over land, plus the $3 international departure tax. Subjecting the entire cost of the trip to

(Continued on the following page)

AIRPORT AND AIRWAY TRUST FUND
Status as of May 31, 1982

	Current Month	Fiscal Year to Date
I. BALANCE - BEGINNING OF PERIOD	$4,447,268,105.34	$4,718,831,357.71
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
1. Any liquid fuel other than gasoline	-0-	-0-
2. Tires used on aircraft	-0-	-0-
3. Tubes used on aircraft	-0-	-0-
4. Gasoline:		
a. Commercial 4 cents tax	-0-	-0-
b. Non-commercial 4 cents tax	-0-	-0-
c. Non-commercial 3 cents tax	-0-	-0-
5. Transportation by air, seats, berths, etc.	-0-	-0-
6. Use of international travel facilities	-0-	-0-
7. Transportation of property and cargo	-0-	-0-
8. Use of civil aircraft	-0-	-0-
Total Tax Receipts	-0-	-0-
B. Less Reimbursement to General Fund-Refund of Taxes and Estimated Tax Credits:		
1. Commercial avaiation gasoline	-0-	-0-
2. Non-commercial gasoline	-0-	-0-
3. Civil aircraft	76,724.00	765,092.00
4. Any liquid fuel other than gasoline	8,586.00	193,733.00
5. Gasoline - Retailer's tax	(1,774.00)	3,534.00
6. Airline Ticket Refund	-0-	-0-
7. Gasoline - Manafacturers Tax	705.00	705.00
Total Reimbursement for Tax Refunds	84,241.00	963,064.00
Net Tax Receipts	(84,241.00)	(963,064.00)
C. Federal Payments	-0-	-0-
D. Transfers from the General Fund	-0-	-0-
E. Interest on Investments	2,029,738.81	275,153,940.97
Net Receipts	1,945,497.81	274,190,876.97
III. EXPENDITURES:		
A. Federal Aviation Administration:		
1. Operations	(556.12)	152,644,152.32
2. Grants-in-Aid for Airports	15,244,694.47	193,420,829.53
3. Facilities and Equipment	28,324,078.55	197,265,259.38
4. Research, Engineering and Development	5,804,228.36	49,800,418.56
B. Aviation Advisory Commission-Salaries & Expenses	-0-	-0-
C. Interest on Refunds of Taxes	7,182.00	57,599.00
Total Expenditures	49,379,627.26	593,188,258.79
IV. BALANCE-END OF PERIOD	4,399,833,975.89	4,399,833,975.89

STATEMENT OF FINANCIAL CONDITION

ASSETS:		
Undisbursed Balances:		
Airport and Airway Trust Fund (20X8103)	$ 350.70	
Operations	5,847.68	
Grants-in-Aid for Airports	1,779,307.18	
Facilities and Equipment	14,250,909.71	
Research, Engineering and Development	10,197,560.62	
Aviation Advisory Commission-Salaries and Expenses	-0-	$ 26,233,975.89
INVESTMENTS:		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
11-5/8% maturing June 30, 1982	4,111,506,000.00	
12-1/8% maturing June 30, 1982	3,000,000.00	
12-3/8% maturing June 30, 1982	259,094,000.00	4,373,600,000.00
Total Assets		4,399,833,975.89
LIABILITIES:		-0-
EQUITY:		
Excess Assets over Liabilities		$4,399,833,975.89
Total Liabilities and Equity		4,399,833,975.89

Bureau of Government Financial Operations
Division of Financial Management
Trust & Revolving Funds Branch

Department of Treasury Chart

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